

AWARD
NASD Dispute Resolution

In the Matter of the Arbitration Between

Claimants

Hugh A. Cameron and Karen A. Cameron

V.

02-04766
Minneapolis, Minnesota

Respondents

U.S. Bancorp Investments, Inc.
and Meredith S. Edstam

REPRESENTATION OF PARTIES

Hugh A. Cameron and Karen A. Cameron ("Claimants") appeared pro se.

U.S. Bancorp Investments, Inc. ("U.S. Bancorp") and Meredith S. Edstam ("Edstam") were represented by David P. Pearson, Esq., of Winthrop & Weinstine, P.A., Minneapolis, Minnesota.

CASE INFORMATION

The Statement of Claim was filed on or about August 8, 2002. Submission Agreements of Claimants Hugh A. Cameron and Karen A. Cameron were signed on August 8, 2002.

A Joint Statement of Answer was filed by Respondents U.S. Bancorp Investments, Inc. and Meredith S. Edstam on or about October 16, 2002. Submission Agreement of Respondent U.S. Bancorp Investments, Inc. was signed on September 13, 2002. Submission Agreement of Respondent Meredith S. Edstam was signed March 14, 2003.

CASE SUMMARY

Claimants asserted the following causes of action: negligence; failure to supervise; breach of fiduciary duty; misrepresentations and non-disclosures; omission of facts, lack of due diligence; actual and constructive fraud; and failure to mitigate damages. The causes of action related to Claimants' allegations that Respondents failed to disclose the reasons for a decline in the price of Xcel energy stock (XCEL) before a buy order was placed. Claimants alleged that as a result of the non-disclosure, the trade order that was placed in bad faith and should be rescinded.

Respondents denied the allegations set forth in the Statement of Claim and asserted some of the following defenses: Claimants' claims fails to state a claim upon which relief can be granted; Claimants' claims are barred by the doctrine of estoppel; Claimants cannot assert claims based on the risks inherent in the investment they selected themselves, and that Claimants assumed the risks of the

investments at issue; to the extent that Claimants suffered any losses, in connection with their investments, those losses were not caused by Respondents, but by Claimants' own investment decisions for which Respondents are not responsible; and that U.S. Bancorp had in place a system of supervision that was reasonably designed to achieve compliance with governing laws, regulations and rules.

RELIEF REQUESTED

Claimants requested for a specific performance directing Respondents to rescind the (XCEL) trade of June 19, 2002 and order them to pay Claimants \$97,091.36, which represented the amount charged to Claimants' account. In addition, Claimants had asked for such award to include interest, costs and any other relief the Panel deemed appropriate.

Respondents requested that the claims asserted against them be denied in their entirety and that they be awarded their costs and attorneys' fees.

OTHER ISSUES CONSIDERED & DECIDED

At the conclusion of Respondents' case, Claimants voluntarily dismissed Respondent Meredith S. Edstam. Upon stipulation of the parties, that Panel agreed to expunge Respondent Meredith S. Edstam's registration record as to this arbitration case.

The parties have agreed that the Award in this matter may be executed in counterpart copies or that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the originals remain on file with NASD Dispute Resolution ("NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims, each and all, are hereby dismissed in their entirety;
2. The Panel recommends the expungement of all reference to the above captioned arbitration from Respondent Meredith S. Edstam's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Meredith S. Edstam must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

3. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
4. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain the non-refundable filing fees for each claim:

Initial claim filing fee = \$ 225

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm that employed the associated person at the time of the events giving rise to the dispute. In this matter, the member firm is U.S. Bancorp Investments, Inc.

Member surcharge = \$ 1,100
Pre-hearing process fee = \$ 750
Hearing process fee = \$ 1,750

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrators, including a pre-hearing conference with the arbitrators, that lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) Pre-hearing session with Panel x \$ 750 = \$ 750

Pre-hearing conference: 02/27/2003 1 session

Two (2) Hearing sessions x \$ 750 = \$ 1,500

Hearing Date: 04/28/2003 2 sessions

Total Forum Fees = \$ 2,250

The Arbitration Panel has assessed \$ 1,125 of the forum fees to Hugh A. Cameron and Karen A. Cameron.

The Arbitration Panel has assessed \$ 1,125 of the forum fees to U.S. Bancorp Investments, Inc.

Fee Summary

Claimants, Hugh A. Cameron and Karen A. Cameron are jointly and severally liable for:

| | |
|-------------------------------------|------------------|
| Initial Filing Fee | = \$ 225 |
| Forum Fees | = \$ 1,125 |
| <hr/> Total Fees | <hr/> = \$ 1,350 |
| <u>Less payments</u> | <u>= \$ 975</u> |
| Balance Due NASD Dispute Resolution | = \$ 375 |

Respondent, U.S. Bancorp Investments, Inc. is liable for:

| | |
|-------------------------------------|-------------------|
| Member Fees | = \$ 3,550 |
| Forum Fees | = \$ 1,125 |
| <hr/> Total Fees | <hr/> = \$ 4,675 |
| <u>Less payments</u> | <u>= \$ 3,550</u> |
| Balance Due NASD Dispute Resolution | = \$ 1,125 |

All balances are due to NASD Dispute Resolution pursuant to Rule 10330(g) of the Code of Arbitration

ARBITRATION PANEL

John R. Hoffman, JD - Public Arbitrator, Presiding Chair
Emily F. Seesel, Esq. - Public Arbitrator
William J. Rosso - Industry Arbitrator

Concurring Arbitrators:

John R. Hoffman, JD
Public Arbitrator, Presiding Chair

Signature Date

Emily F. Seesel, Esq.
Public Arbitrator

Signature Date

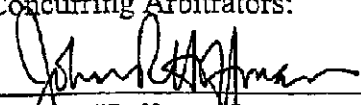
William J. Rosso
Industry Arbitrator

Signature Date

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Emily F. Seesel, Esq. - Public Arbitrator
William J. Rosso - Industry Arbitrator

Concurring Arbitrators:



John R. Hoffman, JD
Public Arbitrator, Presiding Chair

5/21/03

Signature Date

Emily F. Seesel, Esq.
Public Arbitrator

Signature Date

William J. Rosso
Industry Arbitrator

Signature Date

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Emily F. Seesel, Esq. - Public Arbitrator
William J. Rosso - Industry Arbitrator

Concurring Arbitrators:

John R. Hoffman, JD
Public Arbitrator, Presiding Chair

Signature Date

Emily F. Seesel
Emily F. Seesel, Esq.
Public Arbitrator

May 21, 2003
Signature Date

William J. Rosso
Industry Arbitrator

Signature Date

ARBITRATION PANEL

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Emily F. Seesel, Esq. - Public Arbitrator
William J. Rosso - Industry Arbitrator

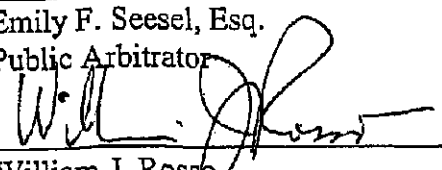
Concurring Arbitrators:

John R. Hoffman, JD
Public Arbitrator, Presiding Chair

Signature Date

Emily F. Seesel, Esq.
Public Arbitrator

Signature Date



William J. Rosso
Industry Arbitrator

5/28/03
Signature Date